

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAL BANK LIMITED AND ITS SUBSIDIARIES**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Bank and its subsidiaries which comprise the consolidated Statement of financial position as at 31 December, 2015, consolidated statement of Profit or Loss, Consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, together with the summary of significant accounting policies and other explanatory notes, and have obtained all information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

### **Directors' Responsibility for the Financial Statements**

The Directors of the Bank and its subsidiaries are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act, 1963 (Act 179), and the Banking Act, 2004 (Act 673), as amended by the Banking Amendment Act, 2007 (Act 738); and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the Bank and its subsidiaries have kept proper accounting records and the financial statements are in agreement with the records in all material respects and given in the prescribed manner, information required by the Companies Act, 1963 (Act 179), and the Banking Act, 2004 (Act 673), as amended by the Banking (Amendment) Act, 2007 (Act 738). The financial statements give a true and fair view of the consolidated financial position of the Bank and its subsidiaries as at 31 December 2015, and of their consolidated financial performance and consolidated cash flows for the year then ended and are drawn up in accordance with the International Financial Reporting Standards (IFRS).

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAL BANK LIMITED AND ITS SUBSIDIARIES (CONT'D)**

### **Report on Other Legal and Regulatory Requirements**

The Ghana Companies Act, 1963 (Act 179) requires that in carrying out our audit work we consider and report on the following matters.

We confirm that:

- i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit,
- ii. In our opinion proper books of accounts have been kept by the Bank and its Subsidiaries, so far as appears from our examination of those books, and
- iii. The Consolidated statement of financial position and Consolidated Statement profit or loss of the Bank and its subsidiaries are in agreement with the books of accounts.

### **The Banking Act 2004 (Act 673), section 78 (2), requires that we state certain matters in our report**

We hereby state that:

- i. The accounts give a true and fair view of the state of affairs of the Bank and its subsidiaries and its results for the period under review
- ii. We were able to obtain all the information and explanation required for the efficient performance of our duties as auditors
- iii. The Bank and its subsidiaries transactions are within their powers and
- iv. The Bank has complied with the provisions of Act 673 and the Banking (Amendment) Act of 2007.



**Deloitte & Touche**  
**License Number: ICAG/F/2016/129**  
**Chartered Accountants**  
**Accra, Ghana**  
**Felix Nana Sackey**  
**Practicing Certificate License No.: ICAG/P/1131**

**Date:** .....26th February, 2016.....

**CAL BANK LIMITED**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2015**

*in thousands of Ghana Cedis*

	Note	The Bank		The Group	
		2015	2014	2015	2014
Interest Income	8	461,093	352,266	466,822	355,027
Interest Expense	8	(218,182)	(171,634)	(218,192)	(170,943)
<b>Net Interest Income</b>		<b>242,911</b>	<b>180,632</b>	<b>248,630</b>	<b>184,084</b>
Fees and Commissions Income	9	69,853	54,933	69,841	54,921
Fees and Commissions Expense	9	(4,493)	(2,997)	(4,511)	(3,019)
<b>Net Fees and Commissions</b>		<b>65,360</b>	<b>51,936</b>	<b>65,330</b>	<b>51,902</b>
Trading Income	10	70,699	76,337	70,699	76,337
Other Operating Income	11	9,445	9,057	16,338	12,619
		<b>80,144</b>	<b>85,394</b>	<b>87,037</b>	<b>88,956</b>
<b>Operating Income</b>		<b>388,415</b>	<b>317,962</b>	<b>400,997</b>	<b>324,942</b>
Credit Loss Expense	20	(35,677)	(20,478)	(35,677)	(20,478)
<b>Net Operating Income</b>		<b>352,738</b>	<b>297,484</b>	<b>365,320</b>	<b>304,464</b>
Staff Costs	12	(80,477)	(59,687)	(82,932)	(61,235)
Administration and General Expenses	13	(54,296)	(37,697)	(56,248)	(38,904)
Depreciation and Amortisation	26, 27	(4,824)	(5,850)	(4,851)	(5,928)
<b>Total Operating Expenses</b>		<b>(139,597)</b>	<b>(103,234)</b>	<b>(144,031)</b>	<b>(106,067)</b>
<b>Operating Profit</b>		<b>213,141</b>	<b>194,250</b>	<b>221,289</b>	<b>198,397</b>
Profit From Disposal of Non-Current Assets		56	136	19	136
<b>Profit Before Income Tax</b>		<b>213,197</b>	<b>194,386</b>	<b>221,308</b>	<b>198,533</b>
Income Tax Expense	24	(42,495)	(44,467)	(44,005)	(45,454)
National Fiscal Stabilization levy	24	(10,660)	(9,567)	(11,065)	(9,928)
<b>PROFIT FOR THE YEAR</b>		<b>160,042</b>	<b>140,352</b>	<b>166,238</b>	<b>143,151</b>
<b>Earnings per share (Ghana Cedis per share)</b>					
- Basic		0.2919	0.2560	0.3032	0.2611
- Diluted		0.2919	0.2560	0.3032	0.2611

**CAL BANK LIMITED**  
**CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31ST DECEMBER 2015**

*in thousands of Ghana Cedis*

	The Bank		The Group	
	2015	2014	2015	2014
<b>Profit for the Year</b>	<b>160,042</b>	<b>140,352</b>	<b>166,238</b>	<b>143,151</b>
<b>Items that may be reclassified subsequently to profit or loss:</b>				
Available-for-sale financial assets	50	7	50	7
<b>Items that will not be reclassified subsequently to profit or loss:</b>				
Net change in revaluation surplus	(1,400)	(218)	(1,400)	(218)
Remeasurement of defined benefit	(740)	(955)	(778)	(984)
<b>Other comprehensive income for the year</b>	<b>(2,090)</b>	<b>(1,166)</b>	<b>(2,128)</b>	<b>(1,195)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>157,952</b>	<b>139,186</b>	<b>164,110</b>	<b>141,956</b>

**CAL BANK LIMITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31ST DECEMBER 2015**

*in thousands of Ghana Cedis*

	Note	The Bank		The Group	
		2015	2014	2015	2014
<b>Assets</b>					
Cash and balances with Bank of Ghana	15	244,424	228,353	244,424	228,353
Items in Course of Collection from Other Banks	17	13,590	18,842	13,590	18,842
Investment in Government Securities	18	291,538	408,962	291,868	409,217
Due from Banks and Other Financial Institutions	19	792,905	594,512	801,556	601,874
Loans and Advances to Customers	20	1,806,115	1,337,776	1,805,285	1,337,205
Investment in Other Securities	21	-	-	4,757	1,508
Investment in Subsidiaries	22	2,028	2,028	-	-
Other Assets	23	56,609	38,217	59,034	39,437
Current Tax Assets	25	-	-	18	-
Deferred Tax Assets	26	10,192	-	10,218	39
Property and Equipment	26	130,201	76,604	130,280	76,654
Intangible Assets	27	3,437	2,248	3,470	2,263
<b>Total Assets</b>		<b>3,351,039</b>	<b>2,707,542</b>	<b>3,364,500</b>	<b>2,715,392</b>
<b>Liabilities</b>					
Customer Deposits	28	1,544,523	1,348,161	1,544,523	1,348,151
Due to Banks and Other Financial Institutions	29	59,899	48,045	58,309	47,690
Borrowings	30	1,113,452	827,455	1,113,452	827,455
Accruals and Other Liabilities	31	121,182	79,942	122,254	80,516
Current Tax Liabilities	24	6,120	1,717	6,460	2,173
Deferred Tax Liabilities	25	-	9,902	3	9,866
<b>Total Liabilities</b>		<b>2,845,176</b>	<b>2,315,222</b>	<b>2,845,001</b>	<b>2,315,851</b>
<b>Shareholders' Equity</b>					
Stated Capital	32i	100,000	100,000	100,000	100,000
Statutory Reserve Fund	32ii	144,266	124,261	144,266	124,261
Capital Surplus	32iii	19,430	20,830	18,733	19,989
Retained Earnings		206,509	124,895	220,909	132,986
Other Reserves	32iv	35,658	22,334	35,591	22,305
<b>Total Shareholders' Equity</b>		<b>505,863</b>	<b>392,320</b>	<b>519,499</b>	<b>399,541</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>3,351,039</b>	<b>2,707,542</b>	<b>3,364,500</b>	<b>2,715,392</b>
Net Assets Value per Share (Ghana Cedis per Share)		0.9227	0.7156	0.9475	0.7287

  
**Director**

  
**Director**

The Directors approved the financial statements on 26th February 2016

**CAL BANK LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31ST DECEMBER 2015**

*in thousands of Ghana Cedis*

**Attributable to Equity Holders**

The Bank	Stated Capital	Statutory Reserve	Capital Surplus	Retained Earnings	Other Reserves		Total Equity
					Fair Value Reserves	Regulatory Credit Risk Reserve	
Balance at 1 January 2014	100,000	89,173	21,048	52,177	(3,805)	23,599	282,192
Net proceeds from rights issue of shares	-	-	-	-	-	-	-
Transfer to/from reserves	-	35,088	-	(38,576)	-	3,488	-
Dividends paid to equity holders	-	-	-	(29,058)	-	-	(29,058)
Total comprehensive income for the year	-	-	(218)	140,352	(948)	-	139,186
<b>Balance at 31 December 2014</b>	<b>100,000</b>	<b>124,261</b>	<b>20,830</b>	<b>124,895</b>	<b>(4,753)</b>	<b>27,087</b>	<b>392,320</b>
Balance at 1 January 2015	100,000	124,261	20,830	124,895	(4,753)	27,087	392,320
Net proceeds from rights issue of shares	-	-	-	-	-	-	-
Transfer to/from reserves	-	20,005	-	(34,019)	-	14,014	-
Dividends paid to equity holders	-	-	-	(44,409)	-	-	(44,409)
Total comprehensive income for the year	-	-	(1,400)	160,042	(690)	-	157,952
<b>Balance at 31 December 2015</b>	<b>100,000</b>	<b>144,266</b>	<b>19,430</b>	<b>206,509</b>	<b>(5,443)</b>	<b>41,101</b>	<b>505,863</b>

The Group	Stated Capital	Statutory Reserve	Capital Surplus	Retained Earnings	Other Reserves		Total Equity
					Fair Value Reserves	Regulatory Credit Risk Reserve	
Balance at 1 January 2014	100,000	89,173	20,650	57,421	(3,804)	23,599	287,039
Net proceeds from rights issue of shares	-	-	-	-	-	-	-
Transfer to/from Reserves	-	35,088	-	(38,576)	-	3,488	-
Change in Bank's shares held by subsidiaries	-	-	(443)	-	-	-	(443)
Dividends paid to equity holders	-	-	-	(29,011)	-	-	(29,011)
Total comprehensive income for the year	-	-	(218)	143,152	(978)	-	141,956
<b>Balance at 31 December 2014</b>	<b>100,000</b>	<b>124,261</b>	<b>19,989</b>	<b>132,986</b>	<b>(4,782)</b>	<b>27,087</b>	<b>399,541</b>

Balance at 1 January 2015	100,000	124,261	19,989	132,986	(4,782)	27,087	399,541
Net proceeds from rights issue of shares	-	-	-	-	-	-	-
Transfer to/from Reserves	-	20,005	-	(34,019)	-	14,014	-
Change in Bank's shares held by subsidiaries	-	-	144	-	-	-	144
Dividends paid to equity holders	-	-	-	(44,296)	-	-	(44,296)
Total comprehensive income for the year	-	-	(1,400)	166,238	(728)	-	164,110
<b>Balance at 31 December 2015</b>	<b>100,000</b>	<b>144,266</b>	<b>18,733</b>	<b>220,909</b>	<b>(5,510)</b>	<b>41,101</b>	<b>519,499</b>

**CAL BANK LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2015**

*in thousands of Ghana Cedis*

	The Bank		The Group	
	2015	2014	2015	2014
<b>Profit Before Tax for the Period</b>	<b>213,197</b>	<b>194,386</b>	<b>221,308</b>	<b>198,533</b>
<b>Adjustments for:</b>				
Depreciation and Amortisation	4,824	5,850	4,851	5,928
Impairment on Financial Assets	35,677	20,478	35,677	20,478
Profit on Disposal of non-current assets	(56)	(136)	(19)	(136)
Dividend Received	-	-	(36)	(43)
Other Employee Benefit Expenses	176	553	252	629
Change in Fair Value of Investment Securities	50	7	50	7
Accretion of Deferred Income	(1,631)	(176)	(1,631)	517
	<b>252,237</b>	<b>220,962</b>	<b>260,452</b>	<b>225,913</b>
Change in Government Securities	117,324	(132,358)	117,249	(132,613)
Change in Investments in Other Securities	-	-	(3,249)	121
Change in Loans and Advances to Customers	(512,652)	(379,606)	(509,793)	(379,096)
Change in Other Assets	(18,597)	(24,061)	(19,802)	(23,878)
Change in Customer Deposits	196,362	548,941	196,372	548,941
Change in Amounts Due to Banks and Other Financial Institutions	11,854	10,860	10,619	13,091
Change in Accruals and Other Liabilities	50,603	21,423	48,490	17,389
Income Tax Paid	(70,246)	(40,341)	(72,282)	(41,291)
<b>Net Cash Flows From Operating Activities</b>	<b>26,885</b>	<b>225,820</b>	<b>28,056</b>	<b>228,577</b>
<b>Cash Flows From Investing Activities</b>				
Purchase of Property and Equipment	(59,317)	(37,754)	(59,455)	(37,543)
Proceeds from Sale non-current assets	56	136	19	136
Purchase of Treasury Shares	-	-	144	(443)
<b>Net Cash Used in Investing Activities</b>	<b>(59,261)</b>	<b>(37,618)</b>	<b>(59,292)</b>	<b>(37,850)</b>
<b>Cash Flow from Financing Activities</b>				
Dividend Income	-	-	36	43
Dividends Paid	(44,409)	(29,058)	(44,296)	(29,011)
Net Changes in Borrowings	285,997	444,742	285,997	444,742
<b>Net Cash Flow from Financing Activities</b>	<b>241,588</b>	<b>415,684</b>	<b>241,737</b>	<b>415,774</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>209,212</b>	<b>603,886</b>	<b>210,501</b>	<b>606,501</b>
<b>Analysis of Changes in Cash and Cash Equivalents During the Year</b>				
Cash and Cash Equivalents at 1 January	841,707	237,821	849,069	242,568
Net Change in Cash and Cash Equivalents	209,212	603,886	210,501	606,501
<b>Cash and Cash Equivalents at 31st December</b>	<b>1,050,919</b>	<b>841,707</b>	<b>1,059,570</b>	<b>849,069</b>
<b>Analysis of Cash and Cash Equivalents During the Year</b>				
Cash and Balances with Bank of Ghana	244,424	228,353	244,424	228,353
Due from Banks and Other Financial Institutions	792,905	594,512	801,556	601,874
Items in Course of Collection from Other Banks	13,590	18,842	13,590	18,842
<b>Total Cash and Cash Equivalents</b>	<b>1,050,919</b>	<b>841,707</b>	<b>1,059,570</b>	<b>849,069</b>
<b>Operational cash flows from interest</b>				
Interest paid	167,763	130,077	167,773	129,386
Interest received	451,969	339,347	457,698	342,108